

VIRGINIA INSURANCE CONTINUING EDUCATION BOARD

REQUEST FOR PROPOSALS

RFP # VICEB 2007-1

Issue Date: AUGUST 31, 2007



Sealed Proposals Shall Be Received Until 2:00 p.m., October 30, 2007

Note: The Virginia Insurance Continuing Education Board does not discriminate against faith-based organizations in accordance with the Code of Virginia §2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

REQUEST FOR PROPOSALS

RFP # VICEB 2007-1

Issue Date: August 31, 2007

Title: INSURANCE AGENT CONTINUING EDUCATION ADMINISTRATION

Commodity Code: 96102

Issuing Agency: VIRGINIA INSURANCE CONTINUING EDUCATION BOARD
KENNETH J. HEIN, CHAIRMAN
7053 TRENCHLINE RD.
MECHANICSVILLE, VA 23116

Period of Contract: For an initial term of September 1, 2008 through August 31, 2010, with two (2) two-year renewal options at the sole discretion of the Board.

Sealed Proposals Must Be Received By The Person Named Below And At The Address Shown Below By No Later Than 2:00 p.m. on October 30, 2007. Any Proposals Not Physically Received By That Date And Time Will Be Rejected.

All Inquiries for Information Regarding This RFP Should Be Directed To:

VIRGINIA INSURANCE CONTINUING
EDUCATION BOARD
KENNETH J. HEIN, CHAIRMAN
7053 TRENCHLINE RD.
MECHANICSVILLE, VA 23116

(804) 730-0878

kenneth.hein.1@comcast.net

All Inquiries for Information Regarding Bureau of Insurance Automated Systems Should Be Directed To:

MS. VICKI M. AYERS
MANAGER, AUTOMATED SYSTEMS
BUREAU OF INSURANCE
P.O. BOX 1157
RICHMOND, VA 23218

(804) 371-9115

Vicki.Ayers@scc.virginia.gov

If Proposals are Mailed, Send Directly To Issuing Agency Shown Above. If Proposals are Hand Delivered, Deliver To:

VIRGINIA INSURANCE CONTINUING EDUCATION BOARD
KENNETH J. HEIN, CHAIRMAN
7053 TRENCHLINE RD.
MECHANICSVILLE, VA 23116

PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held on September 11, 2007 at 10:00 a.m. in the 3rd Floor Training Room at the Tyler Building, 1300 East Main Street, Richmond, VA. Representatives of the Board and the Commission will be available to discuss the Request for Proposals and to respond to questions from prospective vendors. Attendance at this conference, while not required, is strongly recommended.

This page, as well as the responses to the items on the following page, or copies thereof containing an original signature, must be attached to and made a part of each firm's written proposal.

In compliance with this Request for Proposals and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

(Name of Firm)

(Mailing Address of Firm)

(City, State, Zip Code)

Date: _____

By: _____
(Print Name)

(Signature In Ink)

Title: _____

Telephone Number: (____) _____

Firm's FEI/FIN Number: _____

OFFEROR DATA SHEET

(To Be Completed By Offeror)

***Responses should be attached to this page (or a copy thereof)
as part of proposal submission***

QUALIFICATIONS OF OFFEROR: The offeror must have the capability and capacity in all respects in order to fully satisfy all contractual requirements.

OFFEROR CORPORATE OVERVIEW

1. **Years in business:** Indicate the length of time you have been in business providing this type of service: _____years _____months
2. **Background and Experience:** Provide background and experience in this market.
3. **Corporate Identity:** Provide the identity of any parent corporation, including address, telephone and telefax numbers, FEIN or tax ID No., Company website and contact e-mail. Also provide the same information for any subsidiaries of the Offeror, if applicable.
4. **Organization and Structure:** Provide an overview of the organizational operating structure and describe the operational and functional relationships of the business units of your organization, as it relates to your proposal and the Board's stated needs and requirements. Organizational charts are helpful supplements to your explanations.
5. **Locations:** Describe the geographical locations of your firm at the national, regional, and local levels, as applicable, and identify all locations that will be used to support this contract and the operations handled from each of these locations.
6. **Strategic Relationships:** State any subcontractors and outsourced services to be used in performance of any contract resulting from this Request for Proposals.
7. **Quality Program:** Describe all quality programs your company has adopted which directly impact your proposal.

FINANCIAL INFORMATION

8. **Total Annual Revenue:** State total annual revenue. Indicate the revenues associated with the provision of services relevant to your proposal.
9. **Dun and Bradstreet Comprehensive Report:** Please attach current report
10. **Annual Reports:** Include your most recent annual report (or Audited Financial Statement if you are a privately held entity).

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ATTACHMENT A - Title 38.2, Chapter 18, Article 7, Code of Virginia, as amended.

ATTACHMENT B - 2005-2006 Biennium Statistical Data

ATTACHMENT C - Bureau Of Insurance Automated System File Layout

ATTACHMENT D - Small, Women-Owned and Minority Business Participation

**The following documents should be reviewed by all Offerors
prior to submitting a proposal.**

**These documents may be accessed via the Internet at:
<http://www.prometric.com/CE>**

- **Virginia Insurance Continuing Education Board Sponsor Information Packet (2007-2008 Biennium)**
- **2007-2008 Virginia Insurance Continuing Education Web User's Guide for Sponsors**
- **Virginia Insurance Continuing Education Agent Information Handbook (2007-2008 Biennium)**
- **2007-2008 Virginia Insurance Continuing Education Web User's Guide For Agents**

I. PURPOSE OF REQUEST FOR PROPOSALS

The purpose of this Request for Proposals ("RFP") is to solicit sealed proposals to establish a contract with one professional administrative service firm to administer the Commonwealth's insurance continuing education program as established by the Virginia Insurance Continuing Education Board ("Board").

II. BACKGROUND

The Virginia insurance agent continuing education requirements and the establishment of the Board by the Code of Virginia (Code Sections 38.2-1866 through 38.2-1874) are provided for in Article 7 of Chapter 18 of Title 38.2. The current continuing education statutes are included as Attachment A to this Request for Proposals and should be reviewed thoroughly by all potential Offerors. Those statutes set forth biennial course completion requirements that licensed insurance agents (who are referred to herein as "licensees"), whether resident or nonresident, must meet if they are to retain their Virginia insurance licenses.

Certain licensees who meet statutory exemption or waiver criteria may apply for and receive exemptions from or waivers of the course requirements, and holders of certain restricted licenses are exempt completely from the continuing education requirement. Nonresident licensees from states with continuing education requirements may apply for exemptions from Virginia's requirements if their home state is reciprocal with Virginia.

As of December 31, 2006, there were 207,965 licenses in effect in Virginia subject to the continuing education requirement, representing some lesser number of licensees, due to some agents holding more than one of the license types subject to continuing education requirements. A large number of these licensees will comply with Virginia's requirements by some means other than actual completion of Virginia-approved courses (such as nonresident state reciprocity, exemption, or waiver). However, all nonresident reciprocity requests, or waiver or exemption requests are subject to the prescribed filing fees. It should also be noted that a license issued during the second year of a biennium is exempt from the continuing education requirement until the following biennium.

The Board is appointed by the Virginia State Corporation Commission ("Commission") but it is a separate body and not part of the Commission or the Commission's Bureau of Insurance ("Bureau"). The Board's duties, however, are essential to the Commission's performance of its statutory obligations.

Among the important functions of the Board are the establishment and maintenance of continuing education program standards, rules, procedures, fees, recordkeeping, and reporting requirements for Virginia's licensed insurance agents. To this end, the Board desires to contract for the services of a professional administrator (the "Administrator" or "Contractor") to whom the Board will delegate

many of the daily operational responsibilities necessary for the administration of the continuing education program. Included among these responsibilities are (i) approval of courses, course providers/sponsors, and instructors; (ii) collecting agents' continuing education credits and reporting the agents' status of compliance to the Commission, (iii) overseeing the daily operations of the program; (iv) communicating with agents, including preparing and mailing continuing education handbooks, confirmation of course credits, and periodic status of compliance reports to agents; (v) responding to telephone and e-mail inquiries from agents; (vi) handling complaints and appeals resulting from decisions or other actions taken by the Administrator or the Board; (vii) collecting and accounting for fees and managing the revenues and expenditures of the continuing education program and; (viii) keeping the records of the program. Additional detail of the tasks expected to be performed by the Administrator is provided in the "Statement of Needs" section.

Attachment B to this RFP contains general statistical information reports regarding the activities of the Board and its Administrator for the 2005-2006 biennium.

Section 38.2-1873 of the Code of Virginia requires that the continuing education program be self-supporting. The Administrator is compensated solely through fees charged to course providers/sponsors, course instructors and agents. The amounts of fees are established by the Board. Fees collected must be sufficient to cover the expenses incurred by the Administrator, the Board, and the Commission. Examples of such expenses would include, but are not limited to: (1) the salaries of the Administrator's personnel and the equipment necessary to administer the program as structured by the Board; (2) costs of creating and printing various documents, including the mailings made to agents and the continuing education handbook; (3) expenses of the Board, including Board meetings, the Board's legal and accounting expenses, and directors & officers liability insurance for Board members; and (4) automated system development, mailing and other expenses incurred by the Commission directly attributable to the continuing education program.

This Request for Proposals covers all services to be provided with respect to the 2009-2010 calendar year biennium. This includes, but is not limited to, services such as course and instructor approvals prior to the commencement of the biennium and agent filings and appeals received after the conclusion of the biennium. There will, of necessity, be a period of overlap during which the current Administrator will be providing services related to the end of the 2007-2008 biennium, up to and including final notifications to those whose licenses are to be terminated, while at the same time the Administrator contracted pursuant to this Request for Proposals (if not the current Administrator) will be providing services relating to the commencement of the 2009-2010 biennium. The following is an estimated breakdown of responsibilities:

- The current calendar year biennium (2007-2008) will end on December 31, 2008. For this biennium, licensees will be permitted to submit their proof of compliance with the continuing education requirements up through March 31,

2009. Responsibility for continuing administration of matters relevant to the 2007-2008 calendar year biennium will continue to rest with the current administrator until all such responsibilities are completed.

- Following the end of the appeal process, in which the current Administrator plays a vital role, the Board has until the end of August, 2009 to provide the final list of those agents in compliance to the Commission. There is a subsequent final appeal period of 30 days after notice of license termination. It is anticipated, then, that the current Administrator's responsibilities for the 2007-2008 biennium will continue until the end of September, 2009.
- The Administrator contracted pursuant to the Request for Proposals will be expected to have developed course approval standards, course sponsor information packets, course sponsor submission forms, and related materials for the 2009-2010 calendar year biennium, and to disseminate such information to course sponsors by no later than July 1, 2008.
- The Administrator contracted pursuant to the Request for Proposals will be expected to have developed, by no later than September 1, 2008, all necessary Internet access, telephone access, and related staff training to allow course sponsors to begin the process of seeking course approvals for courses to be offered on or after January 1, 2009.
- The Administrator contracted pursuant to this Request for Proposals will be expected to begin providing course approval services on September 1, 2008 for courses to be offered on or after January 1, 2009, and to assume all responsibilities for services to be provided with respect to the 2009-2010 calendar year biennium.

The current Administrator is contractually bound to provide all necessary information and other forms of support during any transition. In the event that a new Administrator is selected as a result of this RFP, there will be additional transitional issues that will need to be addressed, such as notification to all parties of the change of Administrator, handling and forwarding of mail from the current Administrator to the new Administrator, handling of telephone calls, records transfer and other such issues. Those submitting proposals will be expected to address these issues and to include a transition plan as part of any proposal submitted.

As noted above, the Commission is vested with the responsibility of ensuring that agents' statutory requirements (including compliance with the continuing education laws) are met, and for initiating appropriate disciplinary proceedings when they are not. The Contractor will be expected to design an automated reporting system that is compatible with the Licensing and Appointment Processing system then being utilized by the Commission, as well with any new or modified systems that may be adopted by the Commission during the course of the contract. The Contractor will be expected to provide the hardware and software required to

accomplish the reporting and compliance requirements without disruption to the Commission's computer systems. Attachment C to this RFP provides file layout and other relevant information to assist those intending to submit proposals in responding to this requirement.

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in State procurement activities. The Commonwealth encourages Contractors to provide for participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, or other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required.

By submitting a proposal, Offerors certify that all information provided in response to this RFP is true and accurate. Failure to provide information required by this RFP will ultimately result in rejection of the proposal.

III. GLOSSARY OF TERMS

As used in this Request for Proposals:

“ADMINISTRATOR” OR “CONTRACTOR” –The “Administrator” or “Contractor” refers to the Offeror to which the contract is awarded.

“BOARD” - The “Board” is the Virginia Insurance Continuing Education Board, as created pursuant to § 38.2-1866 et seq. of the Code of Virginia.

“BUREAU” – The “Bureau” is the Bureau of Insurance within the Virginia State Corporation Commission.

“COMMISSION” – The “Commission” is the Virginia State Corporation Commission.

“CURRENT ADMINISTRATOR” –The “Current Administrator” refers to the Administrator currently contracted with the Board to provide services related to the 2007-2008 calendar year biennium.

“MUST”, “SHALL”, “SHOULD” AND “MAY” - The terms "must", "shall", "should" and "may" identify the criticality of requirements. "Must" and "shall" identify requirements whose absence will have a major negative impact on the suitability of the proposed solution. Items labeled as "should" or "may" are highly desirable, although their absence will not have a large impact and would be useful, but are not necessary. Depending on the overall response to the RFP, some individual "must" and "shall" items may not be fully satisfied, but it is the intent to satisfy most, if not all, "must" and "shall" requirements. The inability of an Offeror to satisfy a "must" or

"shall" requirement does not automatically remove that Offeror from consideration; however, it may seriously affect the overall rating of the Offerors' proposal.

“OFFEROR” - The “Offeror” is any person/firm making an offer by submitting a proposal in response to this Request for Proposals.

IV. STATEMENT OF NEEDS

The Board has, since its inception in 1993, adhered to the philosophy that two of the most vital precepts for administration of the insurance continuing education program are security of the information provided to and maintained by the Administrator, and the overall integrity of the program itself. The Board has also consistently adhered to the philosophy that it is the responsibility of the licensee to assure his or her own compliance with the continuing education law and requirements adopted by the Board. The Board's credo, then, is: “SECURITY, INTEGRITY, and AGENT RESPONSIBILITY.” Any proposal for administrative services must emphasize an understanding of and adherence to these three precepts.

Subject to the direct oversight, control, and parameters set by the Board (and subject to such changes and modifications as the Board may direct), the Offeror chosen as the Administrator shall be required to:

1. implement the continuing education program in a manner so as to assure high quality continuing education for insurance agents licensed in Virginia that will conform to the requirements of Virginia's continuing education law;
2. review, evaluate, approve or disapprove, and assign credit hours to continuing education courses and programs of instruction in accordance with the guidelines and procedures developed in concert with the Board;
3. review, evaluate and approve or disapprove applications of continuing education course providers/sponsors and course instructors in accordance with the guidelines and procedures developed in concert with the Board;
4. create and maintain a means for monitoring the quality of continuing education courses, including thorough on-site audits of courses and instructors by Virginia-based auditors to determine adherence to the standards approved by the Board, investigating complaints regarding approved courses, and reporting the results of such audits and investigations to the Board;

5. enforce the guidelines for courses, instructors, and course sponsors by recommending withdrawal of approval or other appropriate sanctions for noncompliance, and by carrying out such sanctions as may be approved by the Board;
6. draft and create all necessary forms, notices, explanatory materials, automated and printed correspondence, and such other communications (including electronic and telephonic communications) necessary for the efficient operation of the continuing education program, and discharging the Administrator's and Board's duties;
7. draft, create and mail by May 31, 2009 (and on an annual basis thereafter) a continuing education handbook providing all RESIDENT licensees subject to continuing education requirements in Virginia with the requirements for compliance with the continuing education program, the statutory provisions applicable to continuing education, the consequences of noncompliance, the appeal and grievance procedures, the fees, deadlines and such other information and forms as may be determined by the Board to be necessary for providing RESIDENT licensees with a complete set of information and instructions that will allow them to comply with Virginia's requirements. In addition, the continuing education handbook shall be available for review, downloading, and printing from the Administrator's Internet web site by no later than May 31, 2009;
8. in the event that this Request for Proposals results in selection of an Administrator different from the Current Administrator, draft, create and mail to all NON-RESIDENT licensees, by no later than May 31, 2009, a notice of the change of administrators in a form acceptable to the Board;
9. provide a toll-free telephone number dedicated solely to the Virginia insurance continuing education program, which number shall be transferable to a new Administrator should there be a transition to a new administrator during the course of or at the termination of this contract;
10. create and maintain a transferable direct single point of entry Internet web site, identifiable to the Virginia Insurance Continuing Education program, that will, at a minimum, allow licensees and other interested parties, without the need for the user to negotiate through more than 1 layer of the administrator's web site, to arrive at specific Internet pages for the Virginia Insurance Continuing Education program, and from which the user has direct access, to view, and print, in whole or in part at the requesting party's option, the current version of the continuing

education handbook, as well as access to regularly updated information as to approved courses, on-line compliance status verification, and such forms and other information as the Board may reasonably require;

11. create and maintain both written and automated means of providing all review, recordkeeping, fee receipt and administration of fees received, roster and individual reporting information, grievance procedures, forms, course review records, course and instructor approval standards and records, course offering schedules, and all other standards and requirements set forth in the current Virginia Insurance Continuing Education Board Sponsor Information Packet or as such standards and requirements may be revised by the Board during the course of the contract;
12. administer the receipt and deposit of the fees;
13. create and maintain an automated record-keeping system that can be accessed via a secure means through the Internet, by the licensee and/or course providers for (i) accumulating and reporting continuing education credit information of licensees, (ii) the receipt, review and recording of completed course rosters, and (iii) the receipt, review and determination of continuing education waiver, exemption, and reciprocity requests. Such system must include a means of verifying both the date received and the date processed for each submission received from a course provider or licensee;
14. create and maintain a system for notifying licensees who have not yet fully satisfied the requirements of Virginia's continuing education law by a date no later than six (6) months prior to the end of a biennium and again no later than 45 and no sooner than 60 days before the end of a biennium of their compliance status and the consequences of noncompliance;
15. create and maintain a system that will provide the licensee the ability to confirm via the Internet whether or not a roster has been submitted for each course the licensee has completed, that will allow the licensee to claim credits for courses once rosters have been properly submitted, that will provide confirmation to the licensee upon claiming such credits for completion of a course, and that reports the licensee's status of compliance as of the date of the submission;
16. create and maintain, in a format acceptable to the Commission, an automated means of reporting to the Commission such information as the Board and the Commission may determine to be necessary regarding licensees who meet the continuing education requirements,

at such interims as may be required by the Board or the Commission, and by each biennial statutory deadline. Any such system shall be compatible with the Commission's automated system development and programming standards;

17. create and maintain an automated system for reporting to licensees, other state insurance regulatory authorities, and others designated by the Board to receive notice, on a "rolling notification" basis, when a licensee has satisfied the biennial continuing education requirement;
18. create and administer a grievance procedure whereby a course provider or instructor aggrieved by the action of the Board or the Administrator may appeal such action to the Administrator and subsequently to the appropriate committee of the Board and to the Board itself, and to participate in such appeals to the extent requested by the Board;
19. create and administer a grievance procedure whereby a licensee aggrieved by the action of the Board or the Administrator having the potential to affect directly such licensee's license status (i) may be heard in person or by an authorized representative to review the grievance, (ii) may appeal the determination of such grievance to the Board or its designated committee, and (iii) may appeal the determination of the Board or its designated committee to the Commission, and participate in such appeals to the extent requested by the Board, or permitted by the rules of the Commission;
20. maintain all records of the continuing education program subject to retention standards established by the Board;
21. create and implement a transition plan (including allocation of revenues and expenses) for making the necessary transition of records from the prior Administrator, and such other activities as may be required resulting from a change of Administrator, including administration of carryover credits earned in the previous biennium, that would permit the continuing education program to continue without interruption or undue confusion or inconvenience for the Board, the Commission, licensees, or course sponsors;
22. create, and demonstrate the manner in which the Offeror would maintain, update, and implement a transition plan (including allocation of revenues and expenses) for a potential change of vendors at the termination of the contractual period set forth in this Request for Proposals or in the event of termination for cause, that would permit the continuing education program to continue without interruption or undue

confusion or inconvenience for the Board, the Commission, licensees, or course sponsors;

23. create and implement an audit program that will ensure compliance by providers in presenting approved courses, whether presented by classroom or other media, by auditing no less than five percent (5%) of approved courses. Maintain Virginia-based auditors capable of auditing courses with minimal lead time.
24. present to the Board and its committees, and to the Commission at least annually (and at such other times as may be required by the Board or the Commission) statements and reports setting forth the continuing education program's transactions, operations, audits, records, finances, and affairs for such period of time and in such form or format as may be requested by the Board or the Commission.
25. provide, as may be required by the Board, one or more senior management level representatives agreed to by the Board to attend each meeting of the Board or the Board's committees (except where excused by the Board) who can provide all information necessary for the Board and its committees to discharge their duties and allow them to be fully informed as to the continuing education program's operations;
26. create and maintain a key contact list, including direct contact information, for the Administrator's personnel assigned to the administration of the program in the manner prescribed by the Board and provide updated copies to the Board and the Commission at least quarterly or more often if changes warrant earlier notification;
27. provide quality and timely service to the Board and its committees, the Commission, course providers/sponsors, course instructors, licensees, and others affected by the continuing education requirements, including specific benchmarks for average time to answer telephone calls, average time for a caller to wait before speaking directly with a qualified customer service representative, average waiting time for telephone inquiries, call blocking rates, software release standards, Internet response time, e-mail inquiry response time, and other similar benchmarks as are necessary to demonstrate the commitment to prompt and timely service;
28. provide adequate prior notice to the Board and the Commission, in a form acceptable to the Board and to the Commission, of any system-related implementation or upgrade, including a description of the manner in which such implementation or upgrade will affect the Virginia insurance continuing education program.

29. provide at each Board meeting, as well as at any other time during the course of the contract, any information regarding new services available to the Board, its committees, the Commission, course providers and sponsors, course instructors, licensees, and others affected by the Virginia insurance continuing education requirements. Such information shall include any services not then provided in Virginia, but that are to be provided by the Administrator to the insurance continuing education program of any other jurisdiction with which the Administrator has contracted;
30. provide personnel and equipment in sufficient quantity to conduct and administer the program in accordance with the standards approved by the Board; and
31. provide consulting services to the Board at each Board meeting with regard to trends and changes in the insurance continuing education industry and in state regulation of insurance continuing education.

V. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS

1. RFP Response: In order to be considered for selection, Offeror must submit a complete response to this RFP. Proposal shall be submitted as required in Section IV, B. 1 (Format) and 2 (Organization) and as requested below, so marked, and sealed separately as follows:
 - a. One (1) complete **original** proposal contained in a single three (3) ring binder (do not include pricing) and one (1) **CD** of the same in a Microsoft compatible file format. Clearly indicate the following on the sealed package, the three (3) ring binder and the CD:
 - Offeror name
 - *"Original Proposal"*
 - RFP #VICEB 2007-1
 - b. One (1) complete copy of **redacted copy** of original proposal (removing any proprietary data or material) contained in a single three (3) ring binder (do not include pricing) and one (1) **CD** of the same. Clearly indicate the following on the sealed package, the three (3) ring binder and the CD:

- Offeror name
 - *"Redacted Copy of Original Proposal"*
 - RFP #VICEB 2007-1
- c. Five (5) **copies** of the Original proposal (do not include pricing) contained in single three (3) ring binders. Clearly indicate the following on the sealed package and on each of the three (3) ring binders:
- Offeror name
 - *"Original Proposal Copies"*
 - RFP #VICEB 2007-1
- d. One (1) complete **Pricing** proposal contained in a single three (3) ring binder and one (1) **CD** of the same in a Microsoft compatible file format. Clearly indicate the following on the sealed package, the three (3) ring binder and the CD:
- Offeror Name
 - *"Pricing Proposal"*
 - RFP #VICEB 2007-1

No other distribution of the proposal shall be made by the Offeror.

2. Proposal Preparation:

- a. The proposal shall be signed by a person(s) legally authorized to bind the Offeror to a contract. The proposal must contain the legal name of the Offeror and a statement as to whether the Offeror is a sole proprietor, a partnership, a corporation, a limited liability company, or any other legal entity. A proposal submitted by an agent must have a current Power of Attorney attached certifying the agent's authority to bind the Offeror. The Offeror must include a statement that it is authorized to do business in the Commonwealth of Virginia.
- b. All information requested should be submitted. Failure to submit all information requested may result in the Board requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals that are substantially incomplete or lack key information may be rejected by the Board. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

- c. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
 - d. Ownership of all data, materials, and documentation originated and prepared for the Board pursuant to the RFP shall belong exclusively to the Board and be subject to public inspection. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure; however, the Offeror must invoke the protections of § 2.2-4342 F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as underlining or highlighting and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.
 - e. Upon award, the selected Offeror shall provide to the Board one (1) CD in any Microsoft compatible file format, one (1) bound hard copy of the entire RFP response to include any negotiated changes and one (1) bound hard copy redacted of the same removing all proprietary information or material.
3. Pricing Proposal – a description of the manner in which the Administrator proposes to be compensated for services rendered, including cost estimates on an annual basis. The pricing proposal must include a description of the manner in which such estimates were arrived at, and must contain sufficient information to support the reasonableness of the pricing proposal. The proposed fees to be charged to licensees, course providers, instructors, etc. should be specified. The pricing proposal must also address the issue of how the revenue and expense issues arising in the event of a change in the Administrator at either the commencement or the termination of

this contract will be addressed, including a concrete plan for addressing these issues.

4. Oral Presentation:

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Board. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Board will schedule the time and location of these presentations. Oral presentations are an option of the Board and may or may not be conducted.

B. SPECIFIC PROPOSAL FORMAT/ORGANIZATION/IDENTIFICATION

1. Proposal Format - Offerors are required to follow the Proposal Format for paper submissions and include all items indicated under Proposal Organization (reference 2. below) in their proposals:

- Provide proposal in a three-ring binder
- Printed on white paper with dimensions of 8.5" X 11" with right and left margins of one (1) inch
- Use 12 point Times New Roman font .
- All proposal sections must be separated by tabs to indicate specific proposal sections as requested in section 2 below.
- All pages of the proposal should be numbered.
- Each paragraph in the proposal should reference the paragraph number of the corresponding section, sub-letter, and repeat the text of the requirement as it appears in the RFP.
- If a response covers more than one page, the paragraph number and sub-letter should be repeated at the top of the next page.
- Information which the Offeror desires to present that does not fall within any of the requirements of the RFP should be inserted as directed in section 2 below and designated as additional material.
- Proprietary or trade secret data or material (if any) must be specifically identified by including the specific proposal section(s) and page number(s) to be protected and state

the reasons why protection is necessary (see § 2.2-4342 F of the *Code of Virginia*).

- Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.

2. Proposal Organization – Proposals should adhere to the following outline and should not include any items not identified in the outline.

Original Proposal Organization - Binder 1

- Tab 1 – Original RFP with Pages RFP-III and RFP-IV completed and signed and Addenda (if any)
- Tab 2 – Table of Contents
- Tab 3 –Proprietary Data - Listing of Proprietary Data referencing specific proposal section, page numbers and reasons protection is needed (See § 2.2-4342 F of the *Code of Virginia*).
- Tab 4 – Glossary of Terms and Abbreviations
- Tab 5 – Executive Summary
- Tab 6 – Responses to Section V, Statement of Needs
- Tab 7 – Responses as outlined and required in Section VI. B, *Specific Proposal Instructions* (1a-v).
- Tab 8 – Attachment D – Completed Small, Women-Owned and Minority Business Participation forms
- Tab 9 – Additional Material

Pricing Proposal Format - Binder 2

Tab 1 - Cost Proposal with supporting documentation.

3. Identification of Proposal Envelope(s): - The signed *Original Proposal*, *Redacted* copy of Original Proposal, *Copies* of Proposal and *Pricing Proposal* are required to be submitted in **separate sealed envelope(s) or package(s) for each and identified as follows:**

From: _____	<u>October 30, 2007</u>	<u>2:00 PM</u>
Name of Offeror _____	Due Date	Time
_____		<u>#VICEB 2007-1</u>
Street or Box Number _____		RFP NO.
_____	<u>Continuing Education Administration</u>	
City, State, Zip Code _____	RFP Title	
*Contents: _____ (indicate contents of envelope as either Original Proposal, Redacted Copy of Original Proposal, Copies of Original Proposal and Pricing Proposal.)		

Name of Contract/Purchase Officer or Buyer: Kenneth J. Hein, Chairman

The envelope should be addressed as directed on Page RFP-II of the solicitation and identified as directed above. If a proposal is mailed, the Offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location referenced on Page RFP-II. No other correspondence or other proposals should be placed in the envelope.

C. SPECIFIC PROPOSAL REQUIREMENTS

Proposals should be as thorough and detailed as possible so that the Board may properly evaluate the Offeror's capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:

1. Return the forms found on Pages RFP-III and RFP-IV of this RFP, completed and signed as required.
2. A written statement that includes the following:
 - a) **QUALIFICATIONS** - the statement should demonstrate the Offeror's ability to fulfill each of the requirements set forth in the Request for Proposals. Particular emphasis should be placed on prior experience in providing similar services. The proposal should contain the name, address, telephone number and contact person at each agency or other client for which the Offeror, whether under its own

name or that of any predecessor-in-interest, provided similar or other insurance-related services at any time during the five (5) years immediately preceding the date of this Request for Proposals. In addition, each proposal shall include references from at least two (2) nationally recognized continuing education providers that have submitted courses to the Offeror for review during the past two (2) years. Such references shall include the name, address and business telephone number of a contact person at each such organization who would be willing and able to discuss the quality of service provided to his or her organization by the Offeror during that time. References from any two (2) or more of the following will be acceptable, but the Offeror may submit references from additional national continuing education providers if it wishes to do so:

- Institute of Certified Financial Planners (CFP)
- College For Financial Planning
- National Association of Health Underwriters (NAHU)
- Health Insurance Association of America (HIAA)
- Life Office Management Association (LOMA)
- Life Underwriter Training Council (LUTC)
- Risk and Insurance Management Society (RIMS)
- CPCU Society
- Society of Financial Service Professionals (SFSP)
- The American College
- American Institute for CPCU
- Association for Advanced Life Underwriting (AALU)
- Million Dollar Round Table (MDRT)
- National Association of Professional Insurance Agents (PIA)
- Independent Insurance Agents and Brokers of America (IIABA)
- National Association of Insurance and Financial Advisors (NAIFA)
- International Society of Certified Employee Benefit Specialists (CEBS)

- b) CAPACITY - a thorough discussion of the Offeror's capacity to successfully provide the desired services and a detailed description of how the Offeror will provide each of those services. This discussion should also include service standard metrics for evaluating performance, to

include but not limited to, average telephone call wait times, process cycle times, inquiry completion times, and the frequency of reporting of performance against the standards

- c) STAFF - identification of all professional staff, with a description of the relevant experience of each. Professional resumes must be included for all proposed professional staff. The Offeror should identify who will provide each of the required services, describe the extent of their involvement in providing each service (i.e., what functions they will perform, etc.) and demonstrate their qualifications to render the service (or the part of the service that they will be assigned). In addition, the Offeror will be required to indicate for each proposed staff member its best estimate of the actual percentage of each proposed staff member's time that will be allocated to this contract, and whether such time will be primarily technical, supervisory, oversight, or consulting. As part of this discussion, the Offeror shall identify any service required by this RFP for which the Offeror plans to use subcontractors.
- d) TRANSITION PLANS - a description of the manner in which the Offeror, if not the current administrator, proposes to make the transition from the current Administrator; and a description of the manner in which the Offeror, if awarded this contract, would, if necessary, facilitate a transition to a different Administrator at the termination of the contractual period set forth in this RFP. This description should cover all steps involved in the plans to make the transition non-disruptive and should recognize and reconcile issues related to revenues/expenses allocation and accounting, transfer of records, distribution of mail, telephone calls, and other interactions between the Offeror and the current or future Administrator, in the event of a change in Administrators.
- e) FACILITIES AND EQUIPMENT - a description of the facilities and equipment that the Offeror proposes to use to provide the required services.
- f) COMPENSATION PROPOSAL - a description of the manner in which the Administrator proposes to be compensated for services rendered, including cost estimates on an annual basis. The compensation

proposal must include a description of the manner in which such estimates were arrived at, and must contain sufficient information to support the reasonableness of the compensation proposal. The proposed fees to be charged to licensees, course providers, instructors, etc. should be specified. The compensation proposal must also address the issue of how the revenue and expense issues arising in the event of a change in the Administrator will be addressed, including a concrete plan for addressing these issues.

- g) **SMALL, WOMEN-OWNED, AND MINORITY-OWNED BUSINESS PARTICIPATION PLAN** - it is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in state procurement activities. The Commonwealth encourages Offerors to provide for participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, or other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required (See Attachment D).
- h) **AUTOMATED SYSTEM PLAN** - a description of the manner in which the Offeror proposes to coordinate its automated systems with those of the Commission, with particular emphasis on coordination with the Producer Database, use of identifying numbers such as the National Insurance Producer Registry Number, the Offeror's need for automated access to the Commission's automated systems and the national producer database, software release standard, data backup procedures, off-site data storage and disaster recovery procedures; and other information deemed relevant by the Offeror. The plan shall include, but shall not be limited to software release standards, data backup procedures, off-site data storage, and disaster recovery procedures.
- i) **ADDITIONAL INFORMATION** - any additional facts that the Offeror considers relevant to this Request for Proposals may be included. While a plan for administering the continuing education program using the current roster and individual reporting methodology is

required, Offerors are encouraged to include in their proposals alternative methodologies that will continue to adhere to the Board's precepts of Security, Integrity, and Agent Responsibility.

- j) CERTIFICATION - By submitting a proposal, Offerors certify that all information provided in response to this Request for Proposals is true and accurate. Failure to provide information required by this Request for Proposals will ultimately result in rejection of the proposal.

D. ORAL PRESENTATION

The Offeror's written response to the Request for Proposals must be complete in all respects. Oral presentations may be scheduled at the sole discretion of the Board.

VI. EVALUATION AND AWARD CRITERIA

A. EVALUATION CRITERIA

Proposals shall be evaluated by the Board using the following criteria:

The point values assigned to each of the evaluation criteria shall be posted in the location used for public posting of procurement notices prior to the receipt of proposals.

CRITERION	POINT VALUE
Experience of the Offeror in providing similar services.	
References from past and/or current commercial or government accounts and from continuing education course sponsors and providers.	
Financial viability of the Offeror	
Demonstration, via the written proposal, that the Offeror has the ability, facilities, and capacity to provide all required services in a timely, efficient and professional fashion, including viable front-end and back-end transition and implementation plans.	
Experience and expertise of personnel proposed by the Offeror in insurance, education, administration, record-keeping, automated systems and customer service.	
Proposed Program Fees.	
Minority Participation - Small, Women-Owned, and Minority-Owned Business Participation Plan. Reports of past efforts and proposed use on this solicitation. (See Attachment D).	
TOTAL	100

B. AWARD OF CONTRACT

Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation criteria included in the Request for Proposals, with emphasis on the qualifications and ability to provide the required services. Cost and fees will also be considered as factors, but will not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the Board shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Board may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous. Should the Board determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document

will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

VII. OPTIONAL PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held at 10:00 a.m. on September 11, 2007 in the 3rd Floor Training Room at the Tyler Building, 1300 East Main Street, Richmond, VA. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

While attendance at this conference will not be a prerequisite to submitting a proposal, Offerors who intend to submit a proposal are encouraged to attend. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

VIII. GENERAL TERMS AND CONDITIONS

The Board is responsible for coordinating all administrative activities relating to the continuing education administrator's contract. The Administrator will be given direction on specific assignments from the Board's Chair or Vice Chair, or their designated representatives.

A. VENDOR'S MANUAL

This solicitation is subject to the Commonwealth of Virginia *Vendors Manual* and any revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the Purchasing Office and is accessible on the Internet at: <http://www.dgs.state.va.us/dps> under "Manuals."

B. APPLICABLE LAWS AND COURTS

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with applicable federal, state and local laws and regulations.

C. ANTI-DISCRIMINATION

By submitting their proposals, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act, and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services,

or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1 E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the Contractor agrees as follows:

a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, age, disabilities, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

2. The Contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

D. ETHICS IN PUBLIC CONTRACTING

By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or

subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

E. IMMIGRATION REFORM AND CONTROL ACT OF 1986

By submitting their proposals, Offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

F. DEBARMENT STATUS

By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

G. ANTITRUST

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS

Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Board reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

I. CLARIFICATION OF TERMS

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the Board representative whose name appears on the face of the Request for Proposals no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the Board.

J. PAYMENT

1. To Prime Contractor:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase

order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Board shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

2. To Subcontractors:

- a. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

- (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
- b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U.S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

K. PRECEDENCE OF TERMS

The following General Terms and Conditions *VENDORS MANUAL*, *APPLICABLE LAWS AND COURTS*, *ANTI-DISCRIMINATION*, *ETHICS IN PUBLIC CONTRACTING*, *IMMIGRATION REFORM AND CONTROL ACT OF 1986*, *DEBARMENT STATUS*, *ANTITRUST*, *MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS*, *CLARIFICATION OF TERMS*, *PAYMENT* shall apply in all instances. In the event there is a conflict between any of the General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

L. QUALIFICATIONS OF OFFERORS

The Board may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services and the Offeror shall furnish to the Board all such information and data for this purpose as may be requested. The Board reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Board further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Board that such Offeror is properly qualified to carry out the obligations of the contract and to complete the services contemplated therein.

M. TESTING AND INSPECTION

The Board reserves the right to conduct any test/inspection it may deem advisable to assure supplies and services conform to the specifications.

N. ASSIGNMENT OF CONTRACT

A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Board.

O. CHANGES TO THE CONTRACT

Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
2. The Board may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed and the method of their performance. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Board a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a) By mutual agreement between the parties, in writing; or
 - b) By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Board's right to audit the Contractor's records and/or to determine the correct number of units independently; or
 - c) By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Board with all vouchers and records of expenses incurred and savings realized. The Board shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Board within thirty (30) days from the date of receipt of the written

order from the Board. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Board or with the performance of the contract generally.

P. DEFAULT

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Board, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Board may have.

Q. INSURANCE

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED

1. Worker's Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Board of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.
2. Employers Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed

operations coverage. The Board and the Commonwealth of Virginia are to be named as additional insureds and so endorsed on the policy.

R. ANNOUNCEMENT OF AWARD

Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the Board will publicly post such notice on the DGS/DPS eVA web site <http://www.eva.state.va.us>, and on the 2nd floor of the State Corporation Commission's offices in the Tyler Building (1300 East Main Street, Richmond, Virginia) for a minimum of 10 days.

S. DRUG-FREE WORKPLACE

During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

T. NONDISCRIMINATION OF CONTRACTORS

A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

U. MINORITY/WOMEN OWNED BUSINESSES SUBCONTRACTING AND REPORTING

Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such business to minority and/or women-owned businesses. Names of firms may be available from the buyer and/or from the Division of Purchases and Supply. When such business has been subcontracted to these firms and upon completion of the contract, the Contractor agrees to furnish the Board the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided.

V. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION

The eVA Internet electronic procurement solution, web site portal <http://www.eva.state.va.us>, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA; failure to register will result in the bid/proposal being rejected.

- a. eVA Basic Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.
- b. eVA Premium Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.
- c. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order.
- d. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:

- (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
- (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

IX. SPECIAL TERMS AND CONDITIONS

A. RELATIONSHIPS WITH INSURERS, RATE SERVICE ORGANIZATIONS AND OTHER STATE REGULATORY AGENCIES

The Offeror shall list all insurers, rate service organizations and other state regulatory agencies or their affiliates that the Offeror or its predecessor has worked for in a professional capacity during the last five years. For each firm listed, briefly describe the nature of the professional relationship and the impact of this relationship on the Offeror's ability to serve the Board.

The Board reserves the right to determine if a conflict of interest exists between an Offeror and the respective insurer, rate service organization or other state regulatory agency. The Offeror shall continue to disclose during the term of the contract to the Board any situations in which a potential conflict of interest could arise, present the facts of the situation and offer an opinion as to whether the situation involves a conflict and agree to accept the decision of the Board as to whether or not a conflict exists.

B. OWNERSHIP OF RECORDS/TRANSITION ASSISTANCE

All books, records, computer programs, printed material and other documents created to fulfill the Administrator's duties to the Board shall be the property of the Board. The Contractor agrees to timely transfer all such materials to the successor Administrator in a manner that will provide for a nondisruptive transition of Administrators. If required, the Board shall establish the date for such transfer. The Contractor also agrees to provide such other reasonable assistance as may be required in connection with the transition.

C. AUDIT

The Board, the Commission, or their authorized agents, and/or State auditors shall have full access to and the right to examine all books, records, and other documents relative to this contract during the contract period and for six (6) years after the termination of this contract.

D. PROPOSAL ACCEPTANCE PERIOD

Any proposal in response to this solicitation shall be valid for ninety (90) days. At the end of the ninety (90) days the proposal may be withdrawn at the written request of the Offeror. If the proposal is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.

E. CANCELLATION OF CONTRACT

The Board reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon sixty (60) days written notice to the Contractor. In the event the initial contract period is for more than twelve (12) months, the resulting contract may be terminated by either party, without penalty, after the initial twelve (12) months of the contract period upon sixty (60) days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding services issued prior to the effective date of cancellation.

F. CONFIDENTIALITY OF INFORMATION

Information or data obtained by the Offeror during the course of determining and/or preparing a response to this Request for Proposals may not be used for any other purpose than determining and/or preparing the Offeror's response. Such information or data may not be disseminated or discussed for any reasons not directly related to the determination or preparation of the Offeror's response to this Request for Proposals.

G. RENEWAL OF THE CONTRACT

This contract may be renewed by the Board for two (2) successive two-year periods at the sole option of the Board. Written notice that the Board intends to exercise its option shall be given approximately ninety (90) days prior to the expiration date of each contract period. Contractor shall have the right, at the beginning of each renewal period, to present to the Board evidence of the necessity for an increase in Contractor's compensation under the contract, and the Contractor and the Board shall be authorized to negotiate a new compensation agreement, subject to reasonable documentation of the necessity for an increase in such compensation.

H. LIABILITY INSURANCE AND INDEMNIFICATION

Contractor shall maintain such personal injury and property damage liability insurance as necessary to protect itself from claims arising out of the performance of this contract. The Contractor shall indemnify and hold harmless the Commonwealth of Virginia, the Board, the Commission, their employees, and designated representatives from any and all claims, suits, actions, liabilities and cost of any kind caused by or arising from the performance of the contract. Nothing contained herein shall be deemed an express or implied waiver of the sovereign immunity of the Commonwealth of Virginia, the Board, or the State Corporation Commission, or a pledge of the full faith and credit of the Commonwealth of Virginia, the Board, or the State Corporation Commission.

I. OBLIGATION OF OFFEROR

By submitting a proposal, the Offeror covenants and agrees that he has satisfied himself of the conditions to be met, and fully understands his

obligations, and that he shall have no right to cancel this contract or to relief of any other nature because of his misunderstanding or lack of information.

J. SUBCONTRACTS

No portion of the work shall be subcontracted without prior written consent of the Board. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Board the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by his subcontractor(s) and shall assure compliance with all requirements of the contract.

K. INDEPENDENT CONTRACTOR

Any Offeror awarded a contract under this Request for Proposals shall be considered an independent contractor, and neither the Offeror, nor personnel employed by the Offeror, are in any sense to be considered employees or agents of the Board, the Commission, or the Commonwealth of Virginia.

L. IDENTIFICATION OF PROPOSAL ENVELOPE

The signed *Original* Proposal, *Redacted* copy of Original Proposal, *Copies* of Proposal and *Pricing* Proposal are required to be submitted in **separate sealed envelope(s) or package(s) for each and identified as follows:**

From: _____	<u>October 30, 2007</u>	<u>2:00 PM</u>
Name of Offeror	Due Date	Time
_____		<u>#VICEB 2007-1</u>
Street or Box Number		RFP NO.
_____	<u>Continuing Education Administration</u>	
City, State, Zip Code	RFP Title	
*Contents: _____		
(indicate contents of envelope as either Original Proposal, Redacted Copy of Original Proposal, Copies of Original Proposal and Pricing Proposal.)		

Name of Contract/Purchase Officer or Buyer: Kenneth J. Hein, Chairman

The envelope should be addressed as directed on Page RFP-II of the solicitation and identified as directed above. If a proposal is mailed, the Offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may

cause the proposal to be disqualified. Proposals may be hand delivered to the designated location referenced on Page RFP-II. No other correspondence or other proposals should be placed in the envelope.

X. METHOD OF PAYMENT

The contract period is from September 1, 2008 through August 31, 2010, with two (2) two-year renewal options at the sole discretion of the Board. Compensation under the contract awarded pursuant to this Request for Proposals will be through fees charged to continuing education course providers/sponsors, continuing education course instructors, and/or insurance agents, and collected by the Administrator. The total annual compensation payable to the Administrator for each year of the contract period shall be set forth in the contract.

ATTACHMENT A

**Code of Virginia
Title 38.2, Chapter 18, Article 7**

Code of Virginia
Title 38.2
Chapter 18

Article 7.
Continuing Education.

§ 38.2-1866. Continuing education requirements.

A. Every individual resident and nonresident (i) insurance consultant, (ii) life and annuities insurance agent, (iii) health agent, (iv) property and casualty insurance agent (v) personal lines agent, and (vi) title insurance agent shall, on a biennial basis, furnish evidence as set forth in this article that the continuing education requirements of this article have been satisfied. As used in this article, the term "agent" shall be construed to refer to any of the individual licensees referred to above.

B. Any agent who holds a life and annuities license or a health agent license, or both, shall complete sixteen hours of relevant continuing education credits.

C. Any agent who holds a personal lines license or a property and casualty license shall complete sixteen hours of relevant continuing education credits.

D. Any agent who holds a title agent license shall complete sixteen hours of relevant continuing education credits.

E. Any agent who holds licenses from more than one category of licenses provided above shall complete twenty-four hours of relevant continuing education credits with a minimum of eight credit hours in each such category.

F. Of the total required credits for each biennium, two credit hours shall be in insurance law and regulations applicable in Virginia.

G. Agents may receive no more than seventy-five percent of their required credits from courses provided by insurance companies or agencies. The Board, in its sole discretion, shall, at the time of course approval, determine whether any particular course shall be considered to be insurance company or agency sponsored, and shall require all course sponsors to provide this information clearly and conspicuously to all those enrolling in that course.

§ 38.2-1867. Insurance continuing education board; approval of credits.

A. An insurance continuing education board, hereinafter called the Board, appointed by the Commission, shall approve all continuing education instructors, continuing education courses and programs of instruction, to include technical courses or agency management and operations courses. The Board shall establish and monitor standards for the education of insurance agents, approve courses including evaluating credit hours for all courses or programs offered, and set minimum requirements for course instructors. The Board shall have the authority to disapprove or withdraw approval of course sponsors, courses or course instructors when the established standards are not satisfied, or where such standards have been violated.

B. The number of credits for each self-study course, correspondence course, or program of classroom instruction shall be determined in a manner prescribed by the Board. However, for an approved classroom course, a credit hour shall be equivalent to a classroom hour providing at least 50 minutes of continuous instruction or participation. No credits shall be granted for approved classroom courses unless notice to the Board is accompanied by proof of attendance by the course provider. No credits shall be granted for any correspondence or self-study course that does not include a test of the subject matter which shall be successfully completed by each agent requesting credit. The Board shall have the right to review and approve or disapprove the proposed test as part of the course approval process.

C. An instructor of an approved continuing education course shall be eligible to receive the same number of credits as a person enrolled in the course for the purpose of meeting the requirements. However, agents and instructors may apply credits for attending or teaching the same course only once during any biennium.

D. Excess credit hours accumulated during any biennium may be carried forward to the next biennium only.

E. Members of the Board shall be appointed as follows:

1. One representative from the Independent Insurance Agents of Virginia;
2. One representative from the Professional Insurance Agents of Virginia and the District of Columbia;
3. One representative from the Virginia Association of Insurance and Financial Advisors;
4. One representative of a licensed property and casualty insurance company writing business in the Commonwealth that operates through an exclusive agency force;
5. One representative of a licensed life and health insurance company writing business in the Commonwealth that operates through an exclusive agency force;
6. One representative of a licensed property and casualty insurance company domiciled and writing business in the Commonwealth;
7. One representative of a licensed life and health insurance company domiciled and writing business in the Commonwealth;
8. One representative of a licensed life and health insurance company writing business in the Commonwealth;
9. One representative of a licensed property and casualty insurance company writing business in the Commonwealth;
10. One representative from the Virginia Land Title Association;
11. One representative from the adult education or higher education field; and
12. One representative from the Virginia Association of Health Underwriters.

F. On and after July 1, 1996, no person shall be appointed to serve as a member of the Board if, in the opinion of the Commission, other than as an incidental part of or unrelated to such person's employment, such person prepares, submits for approval, or teaches insurance continuing education courses in Virginia or in any other jurisdiction.

G. No meeting of the Board or any subcommittee of the Board shall be held unless timely notice of such meeting has been provided to the Commission's Bureau of Insurance. At any such meeting of the Board or any subcommittee of the Board, one or more representatives from the Bureau of Insurance shall be permitted to attend and to participate in such meeting, except that such Bureau of Insurance representative or representatives shall not have the right to vote on any matters before the Board.

H. Actions of the Board shall be exempt from the application of the Administrative Process Act (§ 2.2-4000 et seq.).

§ 38.2-1868.

Repealed by Acts 1996, c. 159.

§ 38.2-1868.1. Proof of compliance; late filing penalties, exemption or waiver.

A. As used in this article:

"Proof of compliance" shall mean all documents, forms and fees specified by the Board for (i) filing proof of completion of Board-approved continuing education courses for the appropriate number of hours and for the appropriate content or (ii) filing proof of meeting the exemption requirements set forth in subsection B or C of § 38.2-1871.

"Received by the Board or its administrator" shall mean delivered into the possession of the Board or its administrator at the business address of the Board's administrator.

B. Each agent holding one or more licenses subject to the continuing education requirements of this article shall complete all continuing education course, exemption, or waiver requirements by no later than December 31 of each even-numbered year, and shall submit to the Board or its administrator proof of compliance with or exemption from the continuing education requirements in the form and manner required by the Board.

C. Such proof of compliance must be received by the Board or its administrator by the close of business on February 28 of the following year, or the next working day thereafter if February 28 falls on a weekend.

D. Agents shall be permitted to submit proof of compliance for an additional period of time, until the close of business on March 31, or the next working day thereafter if March 31 falls on a weekend, of such year subject to payment by the agent, in addition to any filing fee imposed by the Board for timely filing of proof of compliance, of a late filing penalty of \$250, payable to the Board in such manner as may be prescribed by the Board. No agent whose proof of compliance is received during the extension provided by this subdivision shall be considered in compliance with the continuing education requirements unless the filing fee and the late filing penalty described herein have been paid by the close of business on March 31, or the next working day thereafter if March 31 falls on a weekend.

After the March 31 deadline, agents who have obtained the requisite continuing education course credits in the time permitted for obtaining such credits, but who have failed to submit proof of compliance, shall be provided a final opportunity to submit the proof of compliance after the Commission has issued notice of impending termination of their licenses, if such agents submit proof of compliance and pay the filing fees and the \$500 penalty as provided in subdivision D 1 of § 38.2-1869 within the 30 calendar day notice period provided pursuant to such subdivision.

E. Failure of an agent to furnish proof of compliance by the applicable date specified in subsection C or D of this section shall result in the imposition of the penalties set forth in § 38.2-1869.

F. Agents seeking a waiver of some or all of the course credit requirements for a biennium pursuant to § 38.2-1870 shall submit all documentation, forms, and fees specified by the Board so as to be received by the Board or its administrator as set forth in § 38.2-1870.

G. Any agent holding one or more licenses subject to this article who fails to submit complete documentation showing proof of compliance with continuing education requirements, as well as all specified forms and fees, so as to be received by the Board or its administrator by the close of business on the dates described in this section shall be deemed to be in noncompliance with the requirements of this article.

§ 38.2-1869. Failure to satisfy requirements; termination of license.

A. Failure of an agent to satisfy the requirements of this article within the time period specified in § 38.2-1868.1, either by obtaining the continuing education credits required and furnishing evidence of same to the Board or its administrator as required by this article, or by furnishing to the Board acceptable evidence of exemption from the requirements of this article, or by obtaining, in a manner prescribed by the Board pursuant to this article, a waiver of the requirements for that biennium, shall result, subsequent to notification by the Board to the Commission, in the administrative termination of each license held by the agent for which the requirement was not satisfied.

B. The Board shall, on or about a date six months prior to the end of each biennium, provide a status report to each agent who has not yet fully satisfied the requirements of this article for such biennium. Such report shall inform the agent of his current compliance status for each license held that is subject to this article, and the consequences associated with noncompliance, and shall be sent by first-class mail to such agent at his last-known residence address as shown in the Commission's records. Failure of an agent to receive such notification shall not be grounds for contesting license termination.

C. The Board shall, no later than 45 calendar days and no sooner than 60 calendar days prior to the end of each biennium, provide a status report to each agent who has not yet fully satisfied the requirements of this article for such biennium. Such report shall inform the agent of his current compliance status for each license held that is subject to this article, and the consequences associated with noncompliance, and shall be sent by first-class mail to such agent at his last known residence address as shown in the Commission's records. Failure of an agent to receive such notification shall not be grounds for contesting license termination.

D. 1. No administrative termination pursuant to this section shall become effective until the Commission has provided 30 calendar days' written notice of such impending termination to the agent by first-class mail sent to the agent at the agent's last known residence address as shown in the Commission's records. The notice period shall commence on the date that the written notice is deposited in the United States mail and, if the 30th calendar day falls on a Saturday or Sunday, the end of the notice period shall be extended to the next business day. Failure of an agent to receive such notification shall not be grounds for contesting a license termination. Any agent who obtained the required number of continuing education credits in the time permitted for obtaining such credits shall be permitted to submit proof of compliance during the 30 calendar day notice period if the agent pays, in addition to the filing fee established by the Board for submission of proof of compliance, a penalty of \$500 to the Board in the manner prescribed by the Board; provided that such payment and submission of proof of compliance shall be received by the Board or its administrator, in the form and manner required by the Board, prior to the end of the 30 calendar day notice period.

2. Neither the Board, its administrator, nor the Commission shall have the power to grant an agent additional time for completing the continuing education credits required by § 38.2-1866, or additional time for submitting proof of compliance as required by § 38.2-1868.1, or additional time for seeking

waivers or exemption pursuant to § 38.2-1870 or § 38.2-1871. During the period of 30 calendar days immediately following such notice from the Commission, the Board shall permit agents either to demonstrate to the satisfaction of the Board that the agent had, in fact, timely submitted and the Board or its administrator had received proof of compliance on or before the filing deadlines set forth in § 38.2-1868.1 or to present proof of compliance and payment of the prescribed penalty and filing fee in accordance with the procedure established in subdivision 1 of this subsection.

3. During the 30 calendar day notice period, the Board shall not be obligated to review or respond to any other submissions except for submissions that prove that the records of the Board or its administrator are incorrect and late filing submissions permitted pursuant to subdivision 1 of this subsection. Subsequent to the expiration of such 30-day period, and prior to providing to the Commission the record of those agents who complied with the requirements of this article, the Board shall provide a reasonable additional period of time for processing of appeals pursuant to § 38.2-1874. However, failure of an agent to provide written notice of appeal in the form and manner required by the Board within 45 calendar days following the expiration of the 30-day period shall be deemed a waiver by such agent of the right to appeal the determination of noncompliance.

4. No more than 15 calendar days after the end of such appeal period, the Board or its administrator shall provide to the Commission a final updated record of those agents who complied with the requirements of this article, whereupon the Commission shall administratively terminate the licenses of those agents required to submit proof of compliance and by whom proof of compliance was not submitted in a proper or timely manner. Agents wishing to contest the Commission's action in terminating a license shall adhere to the Commission's Rules of Practice and Procedure and the Rules of the Supreme Court of Virginia. Failure by the agent to initiate such contest within 30 calendar days following the date of license termination shall be deemed a waiver by the agent of the right to contest such license termination.

E. Pursuant to the requirements of subsection C of § 38.2-1815, §§ 38.2-4806 and 6.1-2.21, respectively:

1. An agent holding a license for variable life insurance and variable annuities whose life and annuities insurance agent license is administratively terminated for failure to satisfy the requirements of this article shall also have such variable life insurance and variable annuities license administratively terminated by the Commission;

2. An agent holding a license as a surplus lines broker whose property and casualty insurance agent license is administratively terminated for failure to satisfy the requirements of this article shall also have such surplus lines broker license administratively terminated by the Commission; and

3. An agent holding a registration as a title settlement agent whose title insurance agent license is administratively terminated for failure to satisfy the requirements of this article shall also have such registration as a title settlement agent administratively terminated by the Commission.

Any such license or registration so terminated may be applied for again after the agent has obtained, respectively, a new life and annuities insurance agent's license, a new property and casualty insurance agent's license, or a new title insurance agent's license and appointment, if appointment is required.

F. 1. Except as provided in subdivision 2 of this subsection, no resident agent whose license has been terminated under the terms of this section shall be permitted to make application for a new license prior to the expiration of a period of ninety calendar days from the date of termination of such license. No resident agent applying for a license after termination of a previous license pursuant to this section shall be issued a license unless the agent has successfully completed, subsequent to the end of the biennium,

the examination required by § 38.2-1817. In such an event, the examination requirements shall not be subject to waiver under any circumstances, including those set forth in § 38.2-1817.

2. A resident agent whose license or licenses have been terminated under the terms of this section shall be permitted to make application for new licenses prior to the expiration of the 90-day period provided in this subsection, provided that such agent (i) pays to the Commission, in addition to any license processing fees, an administrative penalty of \$1,000, which shall be paid into the state treasury and credited to the fund for the maintenance of the Bureau of Insurance and (ii) has successfully completed, subsequent to the end of the biennium, the examination required by § 38.2-1817. In such an event, the examination requirements shall not be subject to waiver under any circumstances, including those set forth in § 38.2-1817.

3. A nonresident agent whose license or licenses have been terminated under the terms of this section shall be permitted to make application for new licenses prior to the expiration of the 90 calendar day period provided in this subsection, provided that such agent pays to the Commission, in addition to any license processing fees, an administrative penalty of \$1,000, which shall be paid into the state treasury and credited to the fund for the maintenance of the Bureau of Insurance. Nonresident agents who furnish evidence in the form and manner required by the Commission of their good standing in their state of residence shall not be required to complete the examination required by § 38.2-1817, provided that the insurance supervisory official of the nonresident agent's state of residence will grant similar exemptions to Virginia residents seeking license renewal or reissue in such state.

G. A resident or nonresident agent who voluntarily surrenders his license without prejudice during a biennium or prior to the expiration of the appeal period for that biennium as described in subsection D, and who has not provided proof of compliance for such biennium, shall not be permitted to apply for a new license of the same type until such agent has complied with the requirements of subsection F of this section. Further, if such agent chooses not to apply for a new license under the terms of subdivision F 2 or F 3 of this section, such agent shall not be permitted to obtain a new license of the same type until the expiration of the same 90-day period applicable to agents whose licenses are terminated pursuant to subsection A of this section.

H. A resident agent whose license terminates because, within 180 calendar days prior to the end of a biennium, or prior to the expiration of the appeal period for that biennium as described in subsection D, such agent moves his residence to another state, and who had not, prior to such relocation, provided proof of compliance for such biennium shall not be permitted to apply for a new license of the same type until such agent has complied with the requirements of subdivisions F 1 and F 2 of this section. Further, if the agent chooses not to apply for a new license under the terms of subdivision F 2 of this section, such agent shall not be permitted to obtain a new license of the same type until the expiration of the same 90-day period applicable to agents whose licenses are terminated pursuant to subsection A of this section.

I. An insurance consultant who fails to renew his insurance consultant license by the date specified in § 38.2-1840, but who obtains a new insurance consultant license within 12 months following such renewal date shall be treated, for purposes of determining exemption from continuing education requirements pursuant to § 38.2-1871, as if such insurance consultant license had been renewed in a timely manner.

§ 38.2-1870. Waiver of continuing education requirements.

The requirements of this article pertaining to the number of course credits required may be waived, in whole or in part, by the Board for good cause shown. As used herein, "good cause" includes long-term illness or incapacity and such other emergency situations as may be determined by the Board as preventing the agent from satisfying the continuing education credit hours required by this article.

Requests for waivers of continuing education requirements shall be made in a form and manner prescribed by the Board. Requests for waiver of all course credit requirements shall be submitted to the Board or its administrator no later than ninety calendar days prior to the end of the biennium for which such waiver is requested. In the event that the long-term illness, incapacity, or such other emergency situation referenced above manifests itself within 120 calendar days prior to the end of the biennium, requests for waivers of some but not all of the course credit requirements shall be submitted to the Board or its administrator no later than the applicable submission deadline set forth in § 38.2-1868.1. The Board shall approve or disapprove the waiver request within thirty calendar days of receipt thereof, and shall provide written notice of its decision to the applicant for waiver within five calendar days of rendering its decision. Any waiver granted pursuant to this section shall be valid only for the biennium for which waiver application was made.

§ 38.2-1871. Licensees exempt from continuing education requirements of article.

A. Resident or nonresident agents who have been issued a license during the last twelve months of the biennium in which such licenses are issued, and who are not otherwise exempt from the continuing education requirements for that license, shall be exempt from fulfilling the continuing education credit requirements set forth in this article for that license for that biennium.

B. The following licensees are exempt from fulfilling the continuing education credit requirements set forth in this article:

1. Life and health insurance consultants who are also licensed both as life and annuities insurance agents and as health agents and who satisfy the continuing education requirements needed for continuation of their life and annuities and health agent licenses; and
2. Property and casualty insurance consultants who are also licensed as property and casualty agents and who satisfy the continuing education requirements needed for continuation of their property and casualty agent license.

C. The following licensees may request exemptions from continuing education requirements, but shall not be exempt unless such exemption is approved by the Board after submission of an exemption request in the form and manner required by the Board:

1. An agent who can prove, in the form and manner required by the Board, that he has attained or will attain at least the age of sixty-five by the end of a biennium may apply for a permanent exemption with respect to one or more licenses held by such agent, subject to submission of proof of the following, in a form and manner required by the Board:

- a. A resident or nonresident agent must demonstrate that the agent has held any combination of resident or nonresident Virginia licenses of equivalent type continuously and without interruption for at least the twenty years immediately preceding the end of the biennium; or

- b. A resident agent who will have held a Virginia resident agent license continuously and without interruption for no fewer than the immediately preceding four years by the end of the biennium must furnish proof of having held equivalent license authority continuously and without interruption in other states for a period that, when combined with the number of years of resident licensure in Virginia, equals at least twenty continuous and uninterrupted years immediately preceding the end of the biennium; or

- c. A resident agent who will have held a Virginia resident license continuously and without interruption for no fewer than the immediately preceding four years by the end of the biennium shall furnish proof (i) of having held equivalent license authority in Virginia for at least twenty of the preceding thirty years;

and (ii) that any unlicensed period was not the result of a license revocation or termination by the Commission pursuant to § 38.2-1832 or § 38.2-1869; and

2. Nonresident agents who furnish evidence in the form and manner required by the Board of their current good standing in their home state, provided that the insurance supervisory official of the nonresident agent's home state will grant similar exemptions to Virginia residents.

§ 38.2-1872. Administrative duties of Board; transfer to outside administrator.

A. The Board shall have the authority to transfer all or part of its administrative duties to an outside administrator. The performance of the administrator shall be confirmed at least annually by the Board and appropriate corrective action shall be taken for any deficiencies. Such administrator shall maintain records reflecting the continuing education status of all licensed agents reporting credits to it, subject to the requirements of this article.

B. The Board or its administrator shall, following the end of each biennium and on a date and in a form acceptable to the Commission but in no event later than fifteen calendar days following the end of the appeal period provided by the Board pursuant to § 38.2-1869, provide to the Commission a report of all licensees who satisfied the requirements of this article for such biennium. The Board or its administrator shall not, however, be required to include in such report those licensees exempt pursuant to subsection A of § 38.2-1871. The administrative termination of licenses, as required by subsection D of § 38.2-1869 shall be carried out by operation of law.

C. The Board or its administrator shall be provided such information from the Commission's records as the Board may reasonably require in order to carry out its duties, including, but not limited to, (i) requesting and receiving from the Commission computer-generated reports, mailing labels, or other computer-generated information containing the names, license identification numbers, license types, and residence addresses of all licensees subject to the requirements of this article; and (ii) direct on-line access to such automated system data as the Commission may deem appropriate.

§ 38.2-1873. Continuing insurance education fees.

The continuing insurance education program established by this article shall be self-supporting, and any costs incurred by the Commission, administrator, or the Board or its members, including legal fees and other legal expenses incurred during or as a result of the good faith execution of their duties, shall be borne by the continuing insurance education fees paid by agents, course sponsors, and course instructors.

§ 38.2-1874. Continuing education program; plan of operation; approval by Commission.

A. The Board shall submit to the Commission a plan of operation that provides for the fair and nondiscriminatory administration of the continuing insurance education program established pursuant to this article. Such plan shall not become effective until approved by the Commission in writing. The Board may, at any time, propose amendments to the plan of operation, and such amendments shall not become effective until approved by the Commission. The plan of operation shall:

1. Establish guidelines for the Board to utilize in adopting procedures for exercising its powers and duties;
2. Establish guidelines for the Board to utilize in adopting procedures for handling the assets of the continuing insurance education program;

3. Establish guidelines for reimbursing members of the Board for the necessary expenses incurred in the performance of their official duties and for indemnifying members for all expenses and liabilities incurred as a result of their serving as members of the Board;

4. Establish guidelines for determining places and times for meetings of the Board;

5. Establish guidelines for adopting procedures for records to be kept of all financial transactions of the Board and administrator;

6. Establish procedures for the election of Board officers;

7. Establish guidelines pursuant to which the Board may adopt a reasonable means whereby any person aggrieved by an action of the Board or administrator with regard to a course or instructor submission, or with regard to a recommendation by the Board or administrator for disapproval or withdrawal of approval of a course or instructor may appeal such action to the Board, whose decision in such matters shall be final. The Board shall also establish a reasonable means whereby any licensee aggrieved by an action of the Board or administrator having the potential to affect directly such licensee's license status may, after written request, be heard in person or by an authorized representative to review the grievance. Guidelines pertaining to licensees may include additional levels of appeal other than those set forth herein, but shall provide, at a minimum, that (i) if the Board or its administrator fails to grant or reject the grievance within thirty calendar days after it is made, the licensee filing the grievance may proceed in the same manner as if his grievance had been rejected; (ii) any licensee adversely affected by the action of the Board or its administrator on such request may, within thirty calendar days after written notice of the action, make a written request for informal review by the Bureau of Insurance, which shall affirm or reverse the action upon not less than ten calendar days' written notice to the licensee and to the Board or its administrator; and (iii) any licensee adversely affected by the action of the Bureau of Insurance on such request may, within thirty calendar days after written notice of the action, appeal to the Commission pursuant to the Commission's "Rules of Practice and Procedure." The Commission may affirm or reverse the action upon not less than ten calendar days' written notice to the licensee and to the Board or its administrator; and

8. Contain guidelines for the Board to utilize in adopting additional provisions necessary or proper for the execution of the powers and duties of the Board including but not limited to (i) program requirements and approved programs of study; (ii) qualifications and responsibilities of course instructors; (iii) management and record-keeping responsibilities; (iv) fee schedules and filing requirements; and (v) course refund policies and procedures.

B. If the Commission disapproves all or any part of the proposed plan of operation or amendment thereto, the Board shall within fifteen calendar days submit for review an appropriate revised plan of operation or amendment thereto. If the Board fails to do so, the Commission shall promulgate a plan of operation or an amended plan of operation. The plan of operation or amended plan of operation approved or promulgated by the Commission shall become effective and operational upon order of the Commission.

C. A regular meeting of the Board shall be held at least annually at such time, date, and place approved by the Board. Special meetings may be called at any time by the chairman. Notices of all regular and special meetings shall be sent to each person serving as a representative on the Board or a subcommittee of the Board and to the Commission. Each notice shall state the purpose of the meeting and include any proposed changes in rules or procedures. Any such meeting notices shall be given in such form as may be acceptable to the Board at least twenty calendar days prior to the date of the meeting.

D. The books of account, records, reports and other documents of the Board and its administrator shall be open to the Commission for examination at all reasonable hours.

E. There shall be no liability on the part of and no cause of action shall arise against any member of the Board, the Board, the Board's agents or employees, or the Commission or its representatives for any action taken or statement made by them in good faith in the performance of their powers and duties under this article.

Attachment B

2005-2006 Biennium Statistical Information

2005-2006 Biennium

C.E. Handbooks Printed/Distributed:	80,316
Provider Packets Printed/Distributed:	450
Sponsor Registrations Processed:	102
Instructor Applications Reviewed/Processed:	1,899
Course Applications Reviewed/Processed:	4,196
Agent Submissions Reviewed/Processed:	78,922
Exemption Requests Reviewed/Processed:	471
Waiver Requests Reviewed/Processed:	20
On Site Course Audits Completed:	270
Course Completion Certificates Reviewed/Processed:	128,736
Written Appeals From Agents Handled:	28
Telephone Inquiries/Complaints Handled:	46,452

Attachment C

Bureau of Insurance Automated System Information

**Commonwealth of Virginia
Bureau of Insurance
Continuing Education File Layout**

Total Record Length = alpha 361

RECORD-TYPE	(A01)	2 = Continuing Education
SSN	(A09)	
FIRST NAME	(A15)	
MIDDLE NAME	(A15)	
LAST NAME	(A30)	
LINEAGE	(A03)	
ADDRESS-HOME-1	(A40)	
ADDRESS-HOME-2	(A40)	
ADDRESS-HOME-CITY	(A31)	
ADDRESS-HOME-STATE	(A02)	
ADDRESS-HOME-ZIP	(A09)	
ADDRESS-WORK-1	(A40)	
ADDRESS-WORK-2	(A40)	
ADDRESS-WORK-CITY	(A31)	
ADDRESS-WORK-STATE	(A02)	
ADDRESS-WORK-ZIP	(A09)	
PHONE-HOME	(A10)	
REDEFINE PHONE-HOME		
PHONE-HOME-AREA	(A03)	
PHONE-HOME-NO-1	(A03)	
PHONE-HOME-NO-2	(A04)	
PHONE-WRK	(A10)	
REDEFINE PHONE-WORK		
PHONE-WORK-AREA	(A03)	
PHONE-WORK-NO-1	(A03)	
PHONE-WORK-NO-2	(A04)	
BIRTH-DATE-ALPHA	(A08)	
CE-LICENSE-TYPE	(A03)	
CE-COMPLIANCE-DATE	(A08)	
CE-EXEMP-IND	(A01)	1=Permanent, 2=Reciprocity, 3=Full Waiver, 4=Partial Waiver
CE-BIENNIUM	(A04)	

Attachment D

**Small, Women-Owned and Minority
Business Participation**

PARTICIPATION IN STATE PROCUREMENT TRANSACTIONS
BY
SMALL BUSINESSES AND BUSINESSES OWNED BY WOMEN AND MINORITIES

The following definitions will be used in completing the information required by one or more of the three categories of businesses contained in this Attachment as applicable to your firm: (1) Participation by Small Businesses; (2) Participation By Businesses Owned by Women; and (3) Participation by Businesses Owned by Minorities.

DEFINITIONS

Period is the specified 12-month period for which the information provided in this list is applicable and valid. The period will be specified as month and year.

Firm Name, Address and Phone Number is the name, address and business phone number of the small business, women-owned business or minority-owned business with which the Offeror has contracted or done business over the specified period or plans to involve on this contract, as applicable.

Contact Person is the name of the individual in the specified small business, women-owned business or minority owned business who would have knowledge of the specified contracting and would be able to validate the information provided in this list.

Type of Goods or Services is the specific goods or services the Offeror has contracted for from the specified small, women-owned or minority-owned business over the specified period of time or plans to use in the performance of this contract, as applicable. The Offeror will asterisk (*) those goods and services that are in the Offeror's primary business or industry.

Dollar Amount is the total dollar amount (in thousands of dollars) the Offeror has contracted for or has done business with the listed firm during the specified period or plans to use on this contract, as applicable.

% Total Company Expenditures for Goods and Services is calculated by dividing the dollar amount of business conducted or contracted for with the indicated firm over the specified period by the total expenditure of the Offeror over the specified period for goods and services.

Total Company Expenditures for Goods and Services is the total dollar amount of all business conducted over the specified period with all firms – not just small, women-owned, or minority-owned businesses.

% of Total Contract is calculated by dividing the estimated dollars planned for the indicated firm on this contract by the total Offeror estimated price of this contract.

1. PARTICIPATION BY SMALL BUSINESSES

- A. Offeror certifies that it () is, () is not, a small business concern. (This response has no impact on award.) For the purpose of this procurement, a small business is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operation in which it is contracting and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the United States Small Business Administration.
- B. List small businesses with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data are available. Offerors are encouraged to provide additional information and expand upon the following format:

12 MONTH PERIOD: FROM _____ TO _____
TOTAL COMPANY EXPENDITURES: _____

[illegible]

1. PARTICIPATION OF SMALL BUSINESSES

(Continued)

- C. Describe Offeror's plans to involve small businesses in the performance of this contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

[illegible]

2. PARTICIPATION BY BUSINESSES OWNED BY WOMEN

- A. Offeror certifies that it () is, () is not, a women's business enterprise or women-owned business. (This response has no impact on award.) For the purpose of this procurement, a women-owned business is a concern that is at least 51 percent owned by a woman or women who also control and operate it. In this context, "control" means exercising the power to make policy decisions, and "operate" means being actively involved in the day to day management.
- B. List businesses owned by women with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data are available. Offerors are encouraged to provide additional information and expand upon the following format:

12 MONTH PERIOD: FROM _____ TO _____

TOTAL COMPANY EXPENDITURES: _____

[illegible]

2. PARTICIPATION BY BUSINESSES OWNED BY WOMEN

(Continued)

- C. Describe Offeror's plans to involve businesses owned by women in the performance of this contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

[illegible]

3. PARTICIPATION BY BUSINESSES OWNED BY MINORITIES

- A. Offeror certifies that it () is, () is not, a minority business enterprise or minority- owned business. (This response has no impact on award.) For the purpose of this procurement, a minority-owned business is a concern that is at least 51 percent owned and controlled by one or more socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, Blacks, Hispanic Americans, Asian Americans, American Indians, Eskimos, and Aleuts.
- B. List businesses owned by minorities with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data are available. Offerors are encouraged to provide additional information and expand upon the following format:

12 MONTH PERIOD: FROM _____ TO _____

TOTAL COMPANY EXPENDITURES: _____

[illegible]

3. PARTICIPATION BY BUSINESSES OWNED BY MINORITIES

(Continued)

- C. Describe Offeror's plans to involve minority businesses in the performance of this contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

FIRM NAME, ADDRESS AND PHONE NO.	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS	% OF TOTAL CONTRACT

All responses to questions may be made by Addendum.

Questions Submitted by: _____

NAME

ORGANIZATION

PAGE _____